

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

DOCKET NO. 2003-382

June 17, 2003

NORWAY WATER DISTRICT
Application for Approval of
Issues of Securities (§902)
(\$700,000 Bond and \$900,000
Bond)

ORDER APPROVING
ISSUES OF SECURITIES

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

On May 28, 2003, the Norway Water District (the District) filed with the Commission its application for authority to issue the following:

- \$900,000 Bond Anticipation Note at 2.30% for 18 months to be issued in 2003 through Peoples Heritage Bank; and
- its bonds in a sum not to exceed \$700,000 through the Rural Development Agency of the United States Department of Agriculture, at an annual rate not to exceed 4.5 percent. The debt will be paid over a term not to exceed 40 years.

In this order, we approve The District's application.

The District requires these funds for the purposes of financing the Lake Road Project (replacing 3,670 feet of 100 year old cast iron water main with 3,670 feet of 12" ductile iron water main, renewing all services and hydrants in conjunction with the MDOT construction of the Lake Road) and the Beal Street Project (replacing 2,580 feet of 6" cast iron water main with 2,580 feet of 8" ductile water main, renewing all services and hydrants in the scope of the work on Beal Street in conjunction with the rebuilding of the street.)

The District requires the interim financing, as Rural Development will not provide funds until after the project is completed. In addition to the \$700,000 bond issue from Rural Development, Rural Development will provide a grant of \$215,000 to the District to complete these projects.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of these notes and bonds are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving these security issues, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902 (4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

O R D E R

1. That the District is hereby authorized to enter into a Bond Anticipation Note of \$900,000 at an interest rate of 2.30 percent per year for a period of eighteen months through People's Heritage Bank to be used solely for the purposes described in this order;
2. That the District is also authorized to sell its bond in a sum not to exceed \$700,000 to be used solely for the purposes described in this Order, and at a rate not to exceed 4.5 percent per year through the Rural Development Agency of the United States Department of Agriculture for a term not to exceed 40 years.
3. That the District report to this Commission, in writing, its actions pursuant to this Order within (60) days of the date of the sale of the proposed bonds, or by September 30, 2003, whichever may come first.
4. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and to close this Docket.

Dated at Augusta, Maine, this 17th day of June, 2003.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.